

CHAPTER 1

INTRODUCTION

1.1 **Purpose.** To promulgate the Policies and Procedures Manual, Navy Outfitting Program (NOP), Other Procurement, Navy (OPN). This directive supersedes T9066-AA-MAN-010/OPN, dated 1 March 1990, and Change A, dated 31 March 1994.

1.2 **Definition.** Outfitting is the collective process by which Navy ships and selected shore stations are initially "fitted out" with material required for: (1) operation and maintenance of installed equipment; (2) safety and protection of the ship and crew; and (3) performance of the ship mission. The OPN outfitting budget includes initial spares and repair parts for those systems and equipment which have reached Material Support Date (MSD). Spare part support for pre-MSD items is covered by the Interim Support budget.

The functional area of outfitting comprises the following elements:

- IDENTIFICATION OF REQUIREMENTS
 - Programming
 - Budgeting
 - Provisioning
 - Allowance Development
- FUNDING
- ORDERING
 - Requirements Determination
 - Requisitioning Requirements
 - Requisition Preparation
 - Requisition Submission
 - Requisition Processing
 - Requisition Screening
 - Requisition Monitoring/Follow-up
- RECEIVING
- INSPECTING
- BINNING/STAGING
- LOADING ON BOARD (Fitting Out)

The above outfitting elements are applicable to shipbuilding and conversion programs as well as fleet modernization programs. However, policies, procedures, methodologies and responsibilities employed for their accomplishment vary between Shipbuilding and Conversion, Navy (SCN) funded outfitting programs and fleet modernization programs funded by the OPN appropriation. To provide for these variations, the Policies and Procedures Manual for the NOP is promulgated in two separate documents. This directive promulgates Navy outfitting policy and procedures applicable to the OPN appropriation. Volume 2 promulgates outfitting policy and procedures for SCN funded programs.

1.3 **Scope**. The scope of OPN NOP outfitting encompasses program support and financing for changes to ship/activity "baseline allowance lists", e.g., Coordinated Shipboard Allowance Lists (COSALs)/Coordinated Shore-Based Allowance Lists (COSBALs), Allowance Parts Lists (APLs), and Allowance Equipage Lists (AELs) incident to:

- a. Installation of new equipment.
- b. Alteration of existing equipment configuration.
- c. Chief of Naval Operations (CNO) or Systems Command (SYSCOM) approved program, special or unique allowance changes.
- d. Special backfit to existing allowances based on approved allowance model changes.
- e. Add-backs resulting from 3M/Casualty Report (CASREP) usage files.

1.4 **Applicability**. OPN financing applies to changes to allowances for the following activities:

- a. Department of the Navy (COSAL/COSBAL)
 - (1) Ships of the active Fleet and Naval Reserve Training Force.
 - (2) Shore based and deployed units such as:
 - (a) Training activities of the Chief of Naval Education and Training Command (CNET).
 - (b) Commander, Naval Computer and Telecommunications Command (COMNAVCOMTELCOM) activities that are not otherwise supported.
 - (c) Marine Air Group (MAG) COSAL Depot Level Repairable (DLR) allowances.
 - (d) U.S. Naval Construction Battalion (USNCB, commonly referred to as SEABEES).
 - (e) Special Warfare (SPECWAR) Group.
- b. Coast Guard (Combined Allowance for Logistics Maintenance Support (CALMS)/Electronics Repair Parts Allowance List (ERPAL))
 - (1) Navy-owned equipment installed on Coast Guard cutters.

1.5 **Inclusions**. The following, to the extent they are contained on AELs and APLs and compute for allowance, are types of material funded by the OPN outfitting account:

- a. Equipment related spare parts.
- b. Special tools.
- c. Medical/Dental items.

d. Equipage, e.g., Chemical, Bacteriological, Radiological (CBR) equipment; night vision devices; Damage Control; or other work center items.

1.6 **Exclusions**. The following are excluded from OPN outfitting financing:

a. All allowances not approved by CNO or the Hardware Systems Command (HSC).

b. Foreign Military Sales (FMS) programs.

c. Boat havens and yard craft, e.g., tugs and yard oilers, and small craft under the jurisdiction of shore based naval activities. These craft are supported by the activity to which they are attached unless a special agreement has been made with NAVSEA 04L4.

d. Military Sealift Command (MSC), funded through the Navy Working Capital Fund (NWCf).

e. Shipbuilding and Conversion programs, e.g., SCN funded programs still included in the SCN envelope. The SCN envelope extends through the Outfitting Work Limiting Date (OWLD), which can be up to 11 months after the ship's fitting out is completed (for SSNs the envelope is 15 months and for MCMs it is 16 months). Other exceptions may be granted by the Navy Comptroller (NAVCOMPT).

f. Outfitting support that is properly chargeable to the end item investment account (OPN, Weapon Procurement, Navy (WPN), Aircraft Procurement, Navy (APN)), generally installed equipment.

g. Maintenance Assistance Modules (MAMs), Installation and Check Out spares (INCOs), Interim Repair Parts (IRPs) and 7Z Cognizance Test Equipment. These items are provided utilizing equipment acquisition manager funds.

h. Material carried on board in Class 207 of the Navy Stock Account. Special Accounting Class (SAC) 207 users (e.g., Shipboard Uniform Automated Data Processing System - Real Time (SUADPS - RT) users) are listed in the Program Support Data (PSD) Automated Reporting and Tracking System (PARTS) User Manual, Appendix I. (Note: The initial outfitting of non-aviation DLRs on CV, CVN, LPH and LHA type ships and MAGs is authorized to be funded by the OPN outfitting account upon transition to end-use funding for individual platforms.)

i. Stock replenishment or allowance depth increases due to increased demand (Selected Item Management (SIM) items). These items are provided using Type Commander (TYCOM)/Operating Target (OPTAR) funds.

j. Alterations Equivalent to Repairs (AERs). These are performed utilizing Type Commander funds.

1.7 **Nuclear Propulsion**. As delineated in the NAVSEA Organization Manual, the Deputy Commander for Nuclear Propulsion (NAVSEA 08) is responsible for all technical matters pertaining to nuclear propulsion of U.S. Navy ships and craft, including all aspects of integration of the nuclear plant into the ship system. Nothing in this directive detracts in any way from these responsibilities. Accordingly, NAVSEA 08

will be consulted in all matters relating to or affecting the nuclear propulsion plant and associated nuclear support facilities. Detailed outfitting policy and responsibilities for naval reactor plants and tender nuclear support facilities is delineated by NAVSEAINST 9890.25 (Series).

1.8 **TRIDENT Submarines**. Director, Strategic Systems Programs (DIRSSP), is responsible for the development and life-cycle support of Trident Submarines (TRIDENT, SSBNs, and support facilities). Accordingly, DIRSSP will be consulted on all matters relating to or affecting ships/systems/equipment under his cognizance, including Fleet Ballistic Missile (FBM) COSALs, Tender Load Lists, Hull, Mechanical and Electrical (HME) allowances, TRIDENT Refit Facilities Load Lists, or related FBM Weapon Systems test equipment, tools, fixtures, and accessories.

1.9 **Objectives**. The objectives of the NOP for OPN are as follows:

- a. Provide timely and effective outfitting of equipment and equipage in active and Naval Reserve Force ships, Navy owned equipment installed on Coast Guard cutters and selected shore activities.
- b. Monitor shipboard and supported shore installation outfittings for consistency with fleet support policies and practices.
- c. Support the effective acquisition and delivery of outfitting material.
- d. Support effective total program management and execution from identification of requirements through receipt of outfitting material for all programs involving allowance changes.
- e. Ensure timely and effective budgeting and financial management for the OPN outfitting account.
- f. Program for the availability of required NAVSEA outfitting funds on planned Material Required Dates (MRDs) for authorized equipment installations.
- g. Program for the availability of required NAVSEA outfitting funds on the dates specified in program plans for authorized equipage programs and equipment and allowance modification programs.
- h. Coordinate outfitting account budgeting with NWCF budgeting for outfitting requirements.
- i. Maintain full accountability for funds authorized and allocated to the allotment holder and other funded programs and activities.
- j. Provide effective safeguards against over-obligation of authorized funds.
- k. Execute obligation of outfitting account funds only for authorized purposes.
- l. Effect timely re-allocation of obligation authority among the allotment holder and other funded activities.

1.10 **NOP Organization and Responsibilities**. Functional responsibilities of the commands and activities associated with the NOP

are outlined in the subparagraphs below. Figure 1-1 provides an overview of some of the key elements and players in the outfitting process and the interactions of the major activities.

1.10.1 **General**. Office of the Chief of Naval Operations (OPNAV), program and assessment sponsors, and SYSCOMs are responsible to:

a. Ensure adequate logistics life-cycle operating and support requirements are planned to achieve support levels established by OPNAV program sponsors.

b. Coordinate the Integrated Logistics Support (ILS) planning and policy development in the weapon systems acquisition process, to ensure the availability of Provisioning Technical Data (PTD) and spare parts and APL/AEL development have been addressed prior to approval of equipment changes or modification.

c. Obtain a logistics review prior to provisioning of equipment changes or modification.

d. Obtain a logistics review prior to approval and implementation of major equipage or allowance improvement programs.

e. Determine the funding impact on, and availability of, outfitting account funds and ensure they are certified by the Administering Office.

f. Assess ILS resource requirements and negotiate and defend the Program Objectives Memorandum (POM).

1.10.2 **OPNAV Program Sponsors**. OPNAV program sponsors are responsible to:

a. Ensure current program information is provided to SYSCOM equipment acquisition managers when new acquisition programs or program changes are authorized.

b. Ensure current information is provided to NAVSEA 04L4 and SYSCOM program managers (if designated) on newly authorized programs and for changes in programs that involve major modification of equipment or allowances.

c. Establish realistic weapon system support thresholds to achieve high fleet readiness, according to performance, affordability and supportability standards. Achieving this through Readiness Based Sparing (RBS) analysis or reprovisioning requires NAVSEA 04L4 notification.

1.10.3 **Hardware Systems Command (HSC) Acquisition Program Managers**. HSC acquisition program managers are responsible to:

a. Arrange for and fund interim support for outfitting of installations prior to MSD.

b. Develop end-item PSD in accordance with the Naval Supply Systems Command (NAVSUP) instruction 4420.36 series. Note: Initial outfitting funding will not be provided unless PSD is utilized to document the program requirements.

- c. Invoke PTD requirements in new equipment acquisition contracts.
 - d. Develop and provide special or unique program information to NAVSEA 04L4 for POM and budget consideration. Note: Initial outfitting funding will not be provided unless proper program documentation is provided through NAVSEA 04L4.
- 1.10.4 **Naval Sea Systems Command (NAVSEA 04L4)**. NAVSEA 04L4 has been assigned responsibility for the NOP. NAVSEA 04L4 is responsible to:
- a. Ensure program and financial management and execution for the NOP.
 - b. Establish and disseminate policies, procedures, and responsibilities for the NOP.
 - c. Ensure that all shipboard and shore installation allowance changes generating outfitting requirements are consistent with current fleet support policies and programs.
 - d. Review or delegate review of all allowance changes, major changes in maintenance policy for shipboard and applicable shore-based allowances, prior to approval and implementation.
 - e. Serve as Chairman of the PSD Technical Committee. Designate a NAVSEA representative to the PSD Steering Committee.
 - f. Coordinate and consolidate PSD updates to the PSD Automated Reporting and Tracking System (PARTS).
 - g. Fund spare and repair parts for ships and selected shore activities which have reached MSD, only for initial installations and approved allowance increases.
 - h. Review, budget and certify OPN outfitting account funding availability for all allowance changes that require outfitting account funding. Figure 1-2 illustrates the budget development process.
 - i. Program, formulate, justify, present and execute the budget for the OPN outfitting account. Figure 1-3 illustrates the budget execution process.
 - j. Develop, issue, and manage the allocations of OPN outfitting account funds to the allotment holder and other special programs, as appropriate.
 - k. Audit the procedures and actions of participants in the NOP to ensure compliance with provisions of this directive.
 - l. Maintain liaison with the Fleet and TYCOMs in NOP matters, especially in those instances (e.g., funding constraints) which potentially impact processing of outfitting requisitions submitted by Fleet activities.
 - m. Establish criteria for selected requisition screening conducted by the Naval Sea Logistics Center (NAVSEALOGCEN).

1.10.5 **Naval Sea Logistics Center (NAVSEALOGCEN)**. NAVSEALOGCEN is responsible to:

a. Act as the Allowance Change Request (ACR) Administrative Center for all ACRs and the ACR processing control point for electronic equipment.

b. Receive, review, log and track Fleet COSAL Feedback Reports (FCFBRs) that are submitted for technical inconsistencies including Source, Maintenance and Recoverability (SM&R) code changes, Unit of Issue/Minimum Replacement changes and Planned Maintenance System (PMS) deficiencies. Notify submitting activity of action taken.

c. Administer and maintain the Automated COSAL Improvement Program (ACIP), which is the replacement program for those FCFBRs that request a National Stock Number (NSN)/Part Number (PN) be added to an APL.

d. Provide assistance to NAVSEA (NAVSEA 04L4) in determining the impact of proposed allowance changes in terms of hull applicability and funding requirements.

e. Monitor major reprovisioning or allowance change actions that will involve charges to outfitting account funds.

f. Perform various functions in the review and processing of requisitions forwarded by the Fleet and Industrial Supply Center, Puget Sound (FISCPS), as outlined in section 4.2.

g. Provide NAVICP identification of requisitions canceled by the requisitioner for possible Planned Program Requirement (PPR) disestablishment.

h. Provide allowance recomputation validation for approved unobligated deferred and backordered requisitions.

i. Review requisitions with unexpended obligations with expiring funds to ensure the original requirement has not been satisfied in some other manner.

j. Provide applicable management reports to NAVSEA 04L4, as required.

k. Act as the central coordinating activity for the PUSH to PULL program in accordance with direction from NAVSEA. Functions include requisition processing, inventory control, analysis of allowance documentation, and reporting.

l. Provide feedback on Fleet questions concerning canceled or rejected requisitions. Provide quarterly rejection/cancellation data to TYCOMs via the NSLC Web Site at www.nslc.fmsso.navy.mil/techlog/HiValue/Cancel.htm.

1.10.6 Fleet and Industrial Supply Center, Puget Sound (FISCPS). FISCPS, the Outfitting Supply Activity (OSA) and sole allotment holder, is responsible to:

a. Receive and administer allotments issued by NAVSEA to ensure appropriate charges to the outfitting account.

b. Maintain financial control and current balances of OPN Outfitting Account funds allocated by the Administering Office.

- c. Include outstanding obligations for the NOP as an assessable unit in the FISCPS management control review.
- d. Provide a quarterly report to NAVSEA of funds recouped in accordance with the procedures in sections 4.2.b(2) and 4.2.b(3).
- e. Perform various requisition processing functions, as specified in section 4.2.b.
- f. Maintain the Automated COSAL Tracking System (ACTS).
- g. Report to NAVICP-M canceled or rejected requisitions requiring further technical review (e.g., obsolete material, invalid NIIN data).

1.10.7 **Naval Sea Systems Command Ship Program Managers (NAVSEA SPMs)**. SPMs are assigned overall responsibility for the management of ship class logistics support and the authorized and accomplished configuration changes for assigned ships, in accordance with the Fleet Modernization Program (FMP). SPMs are responsible to:

- a. Task the Configuration Data Manager (CDM) to perform Ships Configuration Logistics Support Information System (SCLSIS) functions in conjunction with NAVSEA 04L5.
- b. Oversee the accomplishment of the CDM functions specified in the NAVSEA SCLSIS Organizational Guide, S0752-AA-GYD-010/SCLSIS.
- c. Monitor the progress of all ILS actions to ensure that they are being accomplished on schedule and that appropriate action is being taken to rectify deficiencies or that their accomplishment is rescheduled.

1.10.8 **Naval Sea Systems Command (NAVSEA 04L3)**. NAVSEA 04L3 is responsible to:

- a. Coordinate with HSC Program Managers for the installation of generic training devices and Technical Training Equipment (TTE) using PSD.
- b. Ensure that OPNAV Form 4790/CKs are submitted to the training activity and CNET for inclusion in the Configuration Data Management Database - Open Architecture (CDMD-OA).

1.10.9 **Space and Naval Warfare Systems Command (SPAWAR)**. SPAWAR is responsible for receiving, screening, and validating SPAWARSYSCOM initial outfitting requirements and providing them to NAVSEA via submission of PSD and other appropriate documentation.

1.10.10 **Naval Supply Systems Command (NAVSUP)**. NAVSUP is responsible to:

- a. Develop and maintain interface between the SYSCOMs and Program Support Inventory Control Point (PSICP) to ensure that budgetary and logistics planning data are properly reflected in the PSD process.
- b. Advise SYSCOMs and PSICP of selected PSD updates required in conjunction with POM and budget calls.

c. Ensure that one-for-one feedback is provided for each SYSCOM PSD required by the PSICP. Feedback should be in automated form.

d. Designate a NAVSUP and PSICP PSD coordinator.

e. Serve as Chairman of the PSD Steering Committee. Designate a NAVSUP and PSICP representative to the PSD Technical Committee and PSD Steering Committee.

f. Staff, coordinate and update PSD policy and procedures.

g. Develop and promulgate requisitioning policy and procedures.

1.10.11 **Naval Inventory Control Point (NAVICP)**. NAVICP is responsible to:

a. Effect a buy-in for outfitting requirements to the NWCF for the subsequent buy-out by NAVSEA, based on planning data (e.g., PSD and PTD) received from activities such as HSCs and In-Service Engineering Agents (ISEAs).

b. Review National Item Identification Number (NIIN) filter lists for any suspected errors, such as allowance quantity, quantity per component, and erroneous minimum replacement unit quantity and notify responsible activity to make corrections.

c. Prepare Secondary-Item PSD in accordance with the governing NAVSUP instruction on PSD.

d. Conduct provisioning in concert with ISEAs for approved equipment.

e. Review approved requisitions received from NAVSEALOGCCEN for material availability. Verify and indicate the establishment of PPRs/Supply Support Requests (SSRs) and estimated material availability dates. Rescreen requisitions when required.

f. Pursue material availability to support allowance changes.

g. Prepare and distribute allowance change documentation.

h. Advise NAVSEALOGCCEN of asset screen results and identification of available assets to fill selected requisitions.

i. Rescreen requisitions without available assets to determine current asset availability.

j. Review periodically requisitions without available assets against PPRs in the NAVICP files to ensure proper coverage of requirements.

k. Process canceled or rejected requisitions received from FISCPS (e.g., obsolete material, invalid NIIN data).

1.10.12 **Technical Support Agent (TSA)**. The TSA, in most cases, is or will become the ISEA for the operational equipment. TSAs are responsible to:

- a. Conduct provisioning or reprovisioning in concert with NAVICP for approved equipment.
- b. Initiate and update PSD in PARTS as directed by the HSC program manager.
- c. Serve as technical/engineering activity for review of allowance change actions when requested by HSC Program Manager (PM) and ACR Processing Control Points (PCPs), identified in NAVSEA Technical Specification 9090-1500 - Provisioning, Allowance and Fitting Out Support (PAFOS) Manual, Chapter 8.

1.10.13 Authorized Fleet Units, Selected Shore Activities and Deployed Units (Examples of these activities include MAGs/MALS, SPECWAR, Explosive Ordnance Disposal (EOD) and Training Activities and Schools) . Authorized units/activities are responsible to:

- a. Implement allowance changes resulting from equipment changes or modifications and APL/AEL changes received from NAVICP via Automated Shore Interface (ASI), mini ASI, Mini COSAL or Automated Monthly COSAL Maintenance Action Reports (AMCMARs).
- b. Determine and requisition allowance deficiencies chargeable to the outfitting account.
- c. Forward requisitions to the allotment holder (FISCPS Code 70).
- d. Process status as received from the allotment holder and supply system.
- e. Follow-up on requisitions submitted in accordance with procedures contained in NAVSUP P-485.
- f. Reconcile the status of all outstanding outfitting account funded requisitions with the allotment holder.
- g. Ensure that the ship's or activity's internal procedures conform to the provisions of this directive.
- h. Initiate ACRs, Allowance Change Request - Fixed (ACR-Fs), FCFBRs, and OPNAV 4790/CKs in accordance with NAVSEA Technical Specification 9090-1500 (Chapter 8) and OPNAVINST 4790.4 (Series).
- i. Process NAVSEALOGCEN screening status received via the allotment holder.
- j. Receive, handle, account for and store material.

1.10.14 Shore Command Headquarters, including Commander, Naval Computer and Telecommunications Command (COMNAVCOMTELCOM) . Shore Command Headquarters are responsible to:

- a. Coordinate with HSC program managers for the installation of equipment and the execution of outfitting requirements through PSD.
- b. Transmit lists of NAVSEA 04L4 approved equipment to subordinate commands responsible for preparing and submitting outfitting account requisitions.

c. Monitor and control the procedures and records of activities under their cognizance to ensure compliance with this directive.

d. Direct subordinate commands in:

(1) Preparation and submission of outfitting account requisitions for initial outfitting.

(2) Follow-up on submitted outfitting account requisitions.

1.10.15 **Chief of Naval Education and Training (CNET)**. CNET is responsible to:

a. Establish procedures for activities under its cognizance for control and accountability of outfitting material, including receiving, handling, and storage of material.

b. Monitor and control the procedures and records of activities under its cognizance to ensure compliance with this directive.

c. Direct implementation of CNET policy and procedures for management and accountability of training spare/repair parts.

d. Provide liaison between NAVSEA and the training activities.

e. Provide technical direction to the training activities on establishing programs for receipt and management of TTE spare parts and monitoring the spare parts program status at each activity.

1.10.16 **Coast Guard**. The Coast Guard is responsible to:

a. Determine, with the aid of the individual Navy SYSCOMs, the Navy-owned equipment/equipage to be installed on Coast Guard cutters using PSD.

b. Provide cognizant SYSCOMs with the Estimated Delivery Date (EDD) of the equipment.

c. Participate with NAVICP in review of CALMS/ERPAL for Navy-owned equipment on Coast Guard cutters.

1.10.17 **Type Commanders (TYCOMs)**. TYCOMs are responsible to:

a. Review and forward to NAVICP-M those ACRs/ACR-Fs that are recommended for multiple ship approval or require further technical evaluation.

b. Return to the ship the ACRs for installed equipment and all approved/disapproved ACRs for which a single ship is applicable.

c. Monitor and control ship's procedures and records to ensure compliance with this directive.

1.10.18 **Integrated Logistics Overhaul Team, Atlantic (ILOLANT) and Fleet Technical Support Center, Pacific (FTSCPAC)**. The ILO Team and FTSCPAC are responsible to:

a. Determine allowance changes for Storeroom Items (SRI) and Operating Space Items (OSI), including Q COSAL items, that are properly chargeable to the outfitting account.

b. Prepare and submit requisitions to the allotment holder for allowance deficiencies chargeable to the outfitting account.

c. Report the total value of outfitting account requisitions in the Final ILO Status Report Index in accordance with Appendix F of NAVSEA SL105-AA-PRO-010.

1.11 **Outfitting Process Overview**. This section describes the processes associated with the outfitting functional elements. Figure 1-1 provides an overview of some of the key elements and players in the outfitting process and the interaction of the major activities.

1.11.1 **Identification of Requirements**

a. **Programming**

(1) Within the Department of Defense (DOD) Planning, Programming and Budgeting System (PPBS), programming is the process of assessing and making decisions on the amount and phasing of future spending for new proposed programs and programs carried over from a previous fiscal year. The requirements identified during programming include costs for spares, repair parts, and equipage.

(2) PSD is a key source of information necessary for programming spares and repair parts costs and scheduling requirements. Once an equipment (end-item) acquisition or alteration program has been approved and entered into the Future Year Defense Program (FYDP), the HSC acquisition manager develops PSD which forms the basis for interim, initial and follow-on secondary item requirements determination. This PSD includes end item procurement data and other information required for logistics support planning. Of particular importance for the outfitting program is the planned schedule for equipment installation on ships and at shore activities. The official repository for all PSD is PARTS. From the HSC perspective, the importance of PSD and PARTS includes:

(a) PSD preparation by HSC PM is mandated when new equipment acquisitions are approved and appear in the FYDP, and when a revision or Engineering Change Proposal (ECP) is approved for implementation. PSD forms the basis for interim, initial, and follow-on secondary item requirements determination.

(b) PSD/PARTS is also used by the HSCs for determination of interim and end-use support requirements. PSD enables fiscal adjustments as a result of accelerations or slippages associated with overhaul or shipbuilding schedules.

(c) PSD is used by the HSC Program Managers to justify requirements for INCOs, MAMs, On Board Repair Parts (OBRPs), and depot stock procured during an interim period of operation prior to the MSD agreed to by the HSCs and NAVICP.

(d) PARTS specifically provides for OPNAV visibility of current status of equipment acquisitions, facilitates assessment by the OPNAV sponsor and precludes double budgeting by HSC/NAVICP for interim spares.

(e) The value of a single, centralized data repository cannot be overstated. NAVSUPINST 4420.36 (Series) requires program data to be submitted at least a budget leadtime in advance of the requirement. PARTS enables timely, efficient submission and review of planning data by all parties involved, as well as an easy, clear and efficient method of tracking PSD.

NAVSEA 04L4 forwards End-Item PSD via PARTS to the NAVICP. Using the End-Item PSD, the NAVICP program managers prepare Secondary-Item PSD, which include estimates of "Buy In" outfitting costs by fiscal year based on end-item installation schedules.

These initial estimates of interim support and initial outfitting costs will be updated as program milestones are reached, e.g., an end-item contract is awarded, PTD is received at NAVICP, provisioning is completed, APLs are prepared, and secondary-item contracts are awarded. PSD must also be updated if there are changes in the program during the ensuing budget formulation or budget execution phases of the PPBS cycle or during POM development in the subsequent fiscal year. The outfitting requirements on Secondary-Item PSD sheets reflect only the cost of buying NAVICP managed material for the NWCF. Additional data are required on the costs for Defense Logistic Agency (DLA) material needed to outfit the equipment and a surcharge is added to the estimate.

(3) Other Outfitting Support Data. Several programs that generate outfitting requirements are not covered in the formal PSD process. These include changes to allowance computation rules, equipage programs, get-well programs for problem equipment, and APL or AEL revisions. OPNAV sponsors, SYSCOM program managers, and others directing these programs are responsible for providing NAVSEA 04L4 with the data required to review all programs generating allowance changes for budgeting and certification of outfitting account funding availability.

b. Budgeting

(1) POM Development. NAVSEA 04L4 and NAVICP develop the POM for the outfitting account. Outfitting account POM requirements are called "Buy-Out" because they "buy" material out of the Navy Stock Account, i.e., reimburse this account for the cost of outfitting material that was procured originally in the NWCF. The outfitting requirements from the Secondary-Item PSD sheets, prepared by NAVICP, form a large portion of the outfitting account POM. However, NWCF surcharges must be added to develop complete outfitting account buy-out budgets. In addition, some outfitting material may be under the management of another service, and NAVSEA 04L4 must arrange in the POM for funding of that material.

Concurrent with "Buy-Out" planning, NAVICP financial managers prepare the NWCF "Buy-In" budget to support the procurement of NAVICP-managed secondary items required for outfitting and other programs. NAVSEA 04L4, NAVICP, NAVSUP and OPNAV coordinate POM preparation to ensure that the NWCF buy-in and outfitting account buy-out are consistent and take proper account of time-phasing, i.e., the difference in time between contract award by NAVICP buy-in and outfitting account buy-out at the time of outfitting.

(2) **General Description of Budget Formulation**. The Navy Outfitting budget formulation phase of the PPBS cycle begins in early May each year immediately following completion of POM development. The NAVSEA budgets that contain requests for outfitting funds in the outfitting account undergo review at several levels, including NAVSEA review and a joint OPNAV and NAVCOMPT review. A principal purpose of these reviews is to ensure a balanced total program within the fiscal constraints and guidance of the Comptroller of the Navy.

Coordination continues throughout the budget review process. In addition, SYSCOM equipment acquisition managers, OPNAV program sponsors, logistics program assessment sponsors, and the OPN budget sponsors also participate in outfitting account budget reviews. Budgets are subsequently refined or realigned during Office of the Secretary of Defense (OSD) and Congressional submissions.

c. **Provisioning**. PTD is the primary source data required for developing allowance lists and establishing PPRs. The equipment Acquisition Program Manager (APM) includes the requirement for PTD as a line item in the system/equipment acquisition contract using prescribed provisioning specifications and standards. PTD is developed by the equipment manufacturer and submitted to the Government for review and approval. The TSAs and/or NAVICP review and approve or reject the PTD. Rejected PTD is returned to the manufacturer for correction and resubmission in accordance with established contract schedules. Adherence to contract PTD submission schedules by the manufacturer is critical to the timely identification of outfitting requirements to meet the MSD.

d. **Allowance Development**. NAVICP is the Navy Allowance Development Activity for all configuration items installed in the Fleet and selected shore activities. Using approved PTD, an APL or AEL is developed by NAVICP and stored in Level C of the Weapon System File (WSF). Allowance computation data for each APL or AEL are also contained in Level C to provide the means for computing allowance quantities of supply support at the equipment, system or ship level. The types of allowance lists produced by NAVICP are as follows:

(1) APLs and AELs on CD-ROM titled General Distribution APL (GDAPL) that identify repair parts/equipage allowances at the equipment/work center level.

(2) COSAL/COSBAL that identify repair parts/equipage allowances at the Ship/Shore station level (Note: The COSAL/COSBAL only contains configuration items recorded in Level A of the WSF and coded for inclusion in the COSAL/COSBAL at the time the COSAL/COSBAL is produced).

(3) SNAP II databases which contain basic APL/AEL data (just as conventional COSALs), as well as the Stock Record File (SRF) which provides authorized allowances of repair parts and present inventory plus the Cross Reference File (XRF) which provides alternate stock number information.

(4) Monthly ASI which provides automated SNAP updates based on Configuration Data Management Database - Open Architecture (CDMD-OA) and WSF changes.

(5) AMCMAR which includes new and revised APLs, pen and ink configuration changes, updates from CDMD-OA, cancellations/supersessions and X-RIC supersessions.

Part III of the load (or final) COSAL/COSBAL, when produced, is the "baseline allowance list" for the applicable ship/shore activity. The OPN appropriation finances outfitting costs for changes made to the "baseline allowance list" that result from processing authorized allowance change documents into the baseline. Allowance change programs and procedures are addressed in Chapter 2. Authorized allowance change documentation is defined in paragraph 3.3.

1.11.2 **Funding**. When the POM and budget cycles are completed and financial controls are established, budget execution begins on 1 October of the new fiscal year. Figures 1-2 and 1-3 apply. Funds allocated to the outfitting account are in turn allocated each quarter to the allotment holder, FISCPS. FISCPS obligates dollars for the cost of outfitting requisitions received from NOP ordering activities. In addition to the allotment holder, outfitting account funds for specific programs may also be allocated to activities by Work Request, Request for Contractual Procurement, or other funding instrument.

1.11.3 **Ordering**. Authorized outfitting account users are the designated NOP ordering activities. These activities are as follows:

- a. Active Fleet and Naval Reserve Force Ships (including SPECWAR)
- b. Integrated Logistics Overhaul/Review (ILO/ILR) Teams (ILOLANT)/Integrated Logistics Support (ILS) Teams (FTSCPAC)
- c. Marine Air Groups (MAGs)/ Marine Aviation Logistics Squadron (MALS)
- d. U.S. Coast Guard (for installed Navy-owned equipment only)
- e. COMNAVCOMTELCOM Activities
- f. Naval Education and Training Activities

NOP ordering activities are responsible for determining allowance deficiencies, preparing and submitting requisitions for the deficiencies, and monitoring/follow-up of requisitions until material is received. NOP Ordering Procedures for completing these functional requirements are contained in Chapter 3.

1.11.4 **Requisition Processing**. FISCPS is the central processing point for all NAVSEA outfitting requisitions and the sole allotment holder for the NAVSEA outfitting account. NOP ordering activities will submit all outfitting requisitions to FISCPS for processing. Requisition Processing Procedures are contained in Chapter 4.

1.11.5 **Requisition Review**. Requisition review is an integral part of requisition processing. NAVSEALOGCEN is the designated review activity for selected OPN outfitting requisitions. Outfitting requisitions that meet review criteria are forwarded to NAVSEALOGCEN by the allotment holder. Chapter 4 describes selected requisition review procedures.

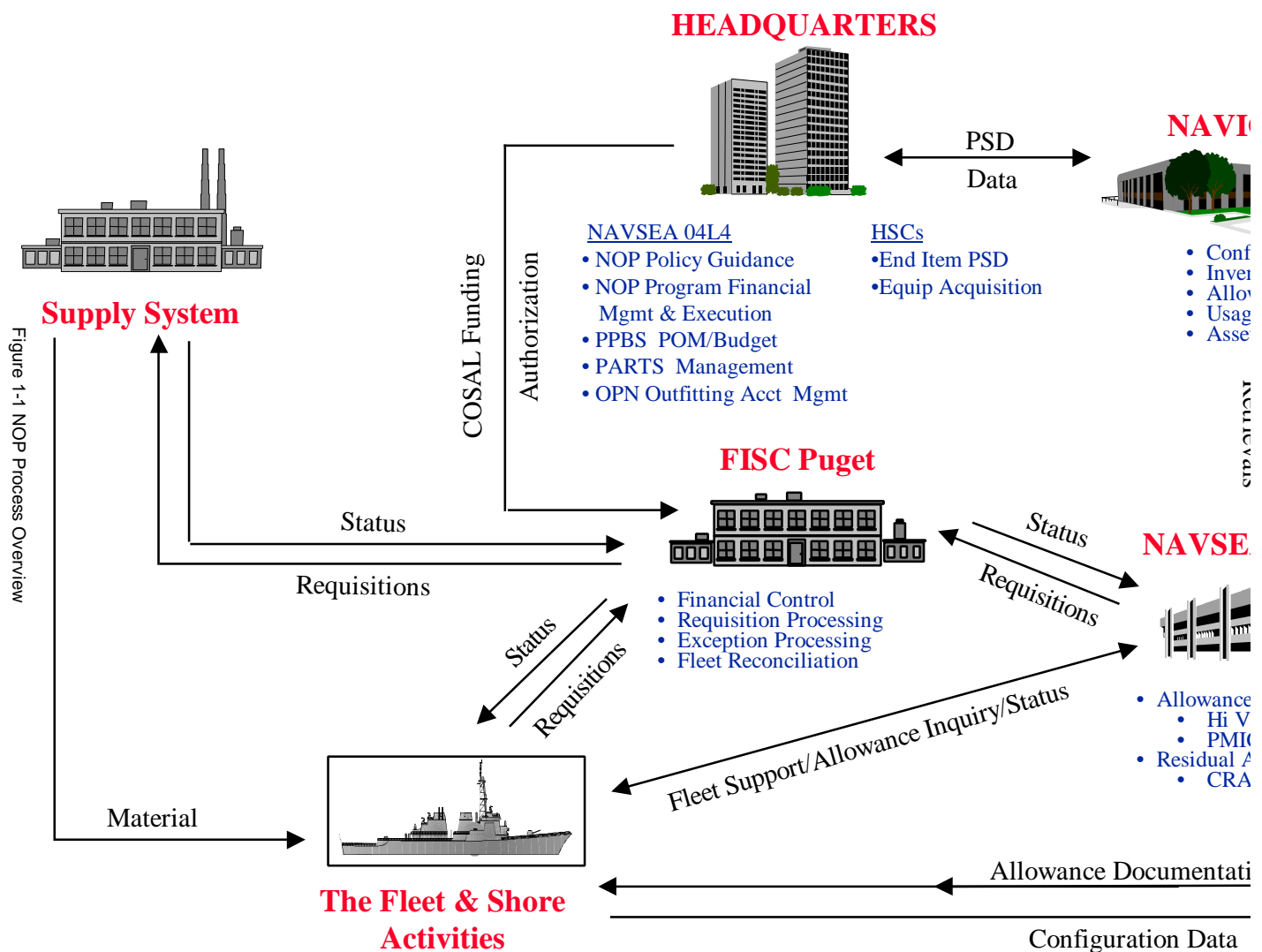
1.11.6 **Requisition Monitoring/Follow-up**. In general, the ordering activity has the responsibility to monitor and follow-up on outfitting

requisitions until the material is received. Requisition monitoring/follow-up procedures are included in Chapter 3. Policy and procedures applicable to canceled and modified requisitions and requisition reordering are addressed in Chapter 4.

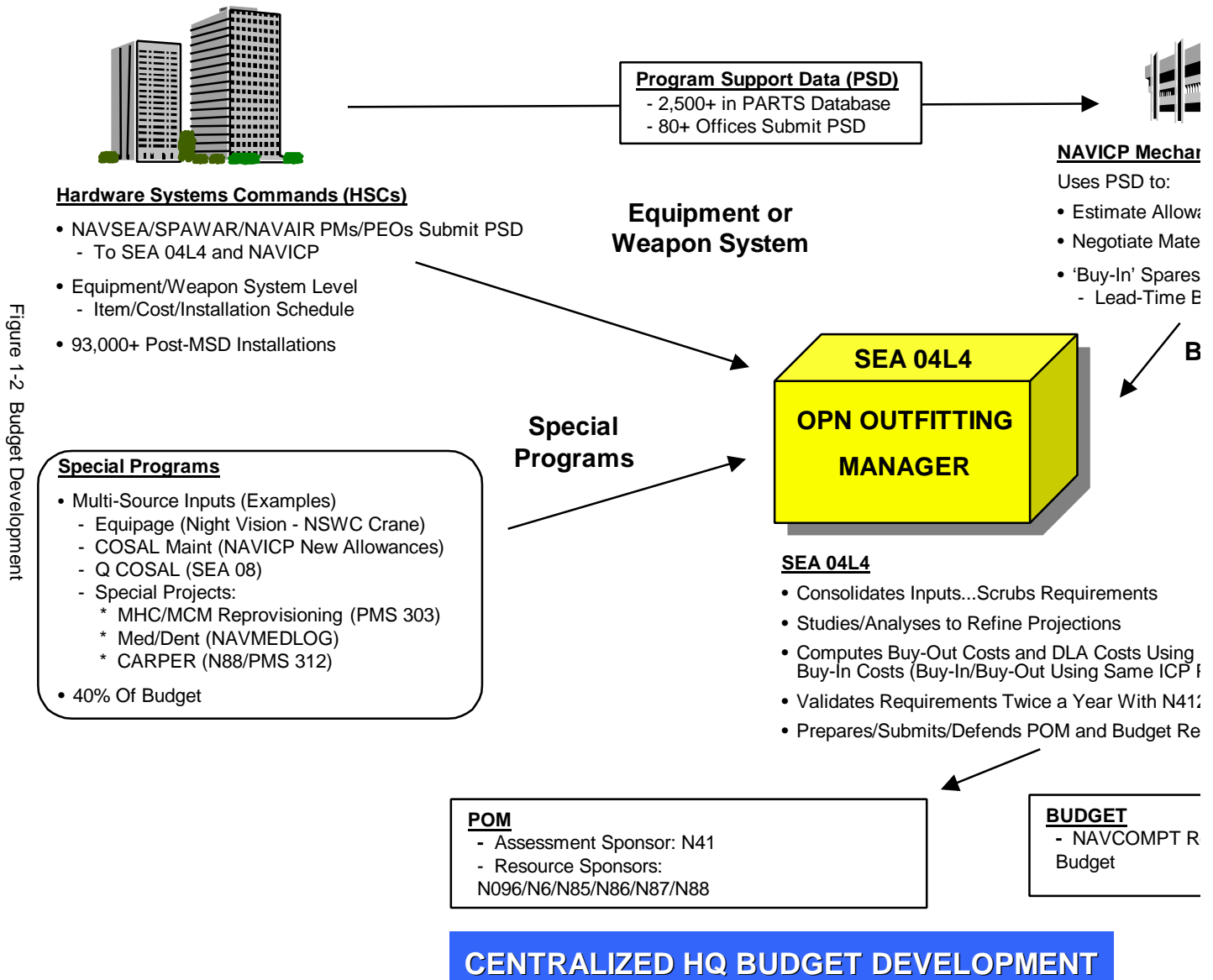
1.11.7 Receiving, Inspecting, Binning/Staging and Loading on Board. These outfitting functional elements for OPN outfitting are generally accomplished by the ordering activities, consistent with policies prescribed by NAVSUP and the TYCOM. Procedures regarding these functional elements are included in NAVSUP Manual P-485 and are not addressed elsewhere in this directive.

NAVY OUTFITTING PROGRAM PROCESS OVER

OPN Outfitting Encompasses Program Support and Financing for Changes to Ship "BaseLine Allowance Lists" Resulting From Fleet Modernization and Allowance



Budget Development



Budget Execution

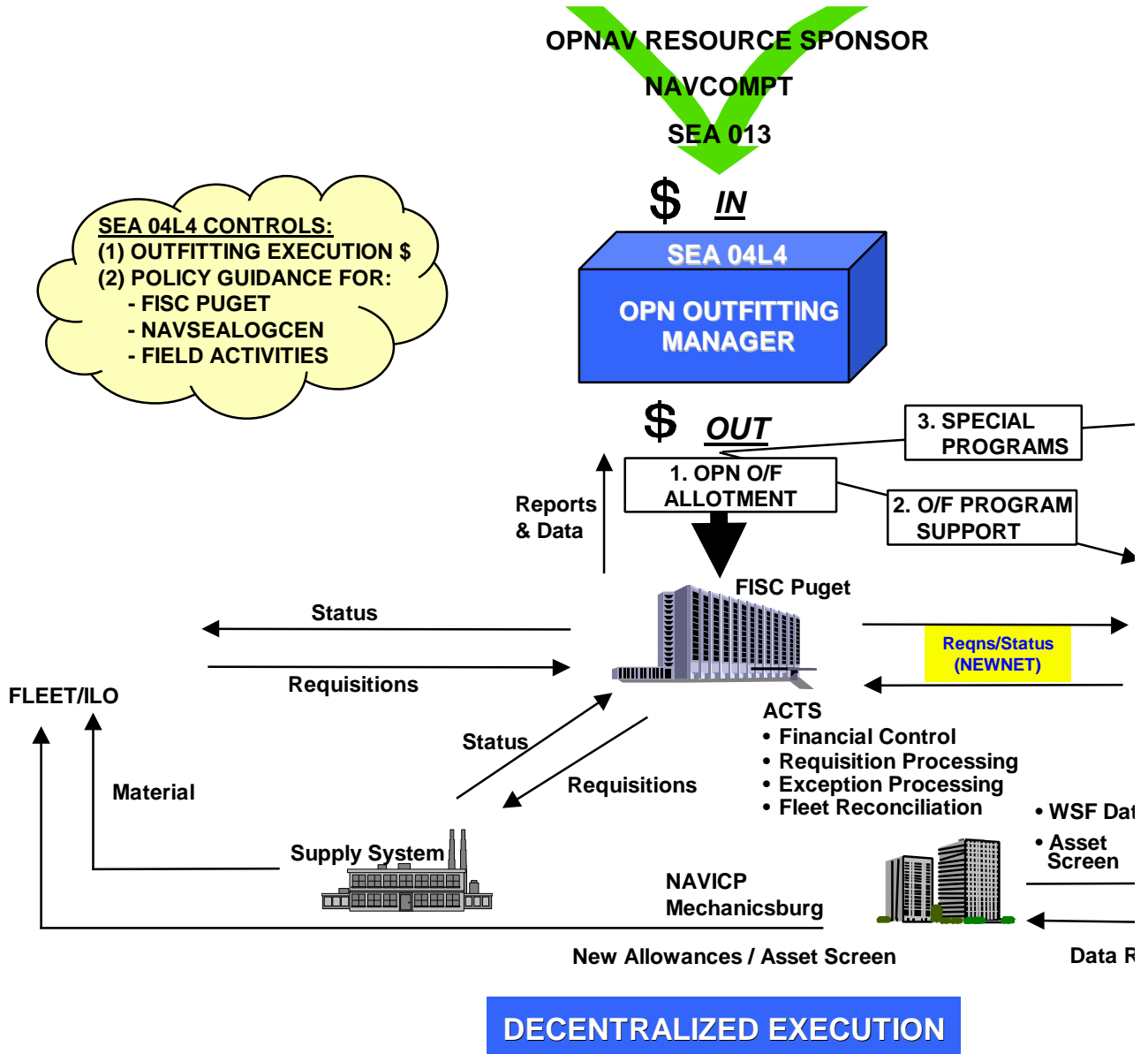


Figure 1-3 Budget Execution